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# FOREIGN CROPS and MARKETS

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LATE FOREIGN DEVELOPMENTS

CANADA: Weather conditions during the week ended July 27 favored crop development, except in Saskatchewan and Alberta, where high temperatures caused further deterioration. The drought area of southeastern Alberta was unrelieved, and in other areas, formerly considered promising, deterioration is reported. Adequate rainfall is needed immediately in these areas to maintain prospects. High temperatures and lack of rain in Saskatchewan brought further deterioration over extensive areas. Heavy downpours are now needed to revive wilting crops and to assist filling. Best conditions in this Province are in the eastern sections. Severe hail damage was reported in all three Provinces with grasshopper and sawfly damage reported in Saskatchewan and Alberta. Conditions in Manitoba continue favorable and the harvest is expected to be general from August 16, but cutting in Saskatchewan is not expected to begin until August 20. No harvest date is indicated for Alberta. Harvesting of fall wheat has begun in British Columbia where weather conditions have been favorable for the past 2 weeks. Early grain crops in the Maritime Provinces are above average but late grains are less promising. Grain crops are just heading out in Quebec. Harvesting of fall grains in Ontario is general, and losses from winter-kill and rust are expected to be heavy.

AUSTRALIA: Weather conditions continue dry over wide areas. Trade reports indicate that dryness may result in acreage being cut below that planned, which is reported at about 8,300,000 acres.

UNITED KINGDOM: The weather in June was, in general, favorable for grain crops. Winter wheat is in good condition, and the harvest is expected to be early in southern and eastern areas. Spring wheat improved during the month and is now favorable in most districts. Above-average yields are expected in most areas, which on the increased acreage would assure a large crop.

ARGENTINA: A decree of July 20, 1943, authorizes the crushing of an additional 500,000 metric tons (19,684,000 bushels) of flaxseed for the production of fuel oil but discontinues the sale of flaxseed for fuel as such. Efforts will be made to have buyers accept wheat in place of flaxseed on unfilled orders. A decree of July 22, to become effective August 15, 1943, suspends the minimum price of flaxseed. A new price will be adopted for the coming harvest if market conditions make it necessary.

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G R A I N S

CANADA'S PRAIRIE PROVINCES REPORT  
 REDUCTION IN BREAD-GRAIN ACREAGE  
 BUT INCREASE IN FEED GRAINS . . .

A reduction of almost 4 million acres in the wheat area seeded in the Prairie Provinces this year, as compared with the 1942 acreage, is reported by the Dominion Bureau of Statistics. In addition, a 60-percent reduction in the rye acreage seeded for harvest in 1943 makes the total acreage reduction in bread grains there about 4.7 million acres, or 20 percent. More than offsetting this reduction, however, is the increase in oats, barley, and flaxseed acreage. The shift from bread grains to feed has been substantial, and is in accordance with indicated increased needs for feed grains during the 1943-44 season and the relative abundance of old-crop wheat supplies in Canada. Though the largest shift of acreage was to feed grains, the greatest percentage gain was in flaxseed.

CANADA: Acreage sown to principal grains in the Prairie Provinces,  
1943 and comparisons with 1942

Province and date	Unit	Wheat	Rye		Oats	Barley
			Fall	Spring		
<u>Manitoba</u>	: 1,000 :	:	:	:	:	:
1943 .....	acres	1,640	45	11	1,632	2,341
1942 .....	do	1,930	145	39	1,480	2,021
1943 as percentage of 1942 .....	Percent	85.0	31.0	28.2	110.2	115.8
<u>Saskatchewan</u>	: 1,000 :	:	:	:	:	:
1943 .....	acres	10,260	187	153	6,482	3,316
1942 .....	do	12,353	650	197	4,902	2,468
1943 as percentage of 1942 .....	Percent	83.1	28.8	77.4	132.2	134.4
<u>Alberta</u>	: 1,000 :	:	:	:	:	:
1943 .....	acres	4,829	55	47	3,676	2,239
1942 .....	do	6,370	140	75	3,284	1,925
1943 as percentage of 1942 .....	Percent	75.8	39.1	63.2	111.9	116.3
<u>Prairie Provinces</u>	: 1,000 :	:	:	:	:	:
1943 .....	acres	16,729	287	211	11,790	7,896
1942 .....	do	20,653	935	311	9,666	6,414
1943 as percentage of 1942 .....	Percent	81.0	30.7	67.8	122.0	123.1

From reports of the Dominion Bureau of Statistics, Ottawa.

The reduced wheat acreage, as reported, was the smallest area sown in the Prairie Provinces since 1918, and in general it conforms to the acreage goals set in December and to farmers' intentions to plant as of April 30. Average yields on the acreage reported would indicate an outturn in the three Prairie Provinces of around 270 million bushels, compared with last year's record crop of 565 million bushels. Present prospects, however are below average due to drought conditions over large areas of Saskatchewan and Alberta. Prospects for the wheat crop in eastern Canada are also reported as less favorable than usual as the result of damage from rust and winter-kill, and large shipments from the west under the Freight Assistance Policy are expected.

The acreage sown to oats and barley in the Prairie Provinces is about 3.5 million acres larger than the 1942 acreage of these grains. The condition of the feed crops in Canada on June 30 was less favorable than that of wheat and was below average. Oats was then reported as 88 percent of average and barley at 89 percent, compared with 100 percent for each on that date of 1942. Weather conditions during July have continued unfavorable in parts of Saskatchewan and Alberta, and further crop deterioration has been reported. The condition of feed grains in the eastern Provinces is also below average, particularly in Ontario and Quebec where large crops of feed grains, especially oats, are grown.

ARGENTINA CANCELS WHEAT ACREAGE RESTRICTIONS;  
SUSPENDS MINIMUM PRICES . . .

Restrictions on wheat sowing in Argentina were cancelled by a Government order published July 1, and growers were advised to increase seedings for the 1943-44 crop. Producers are thus released from the obligation to reduce seedings for the coming crop, by 10 percent, as was written into the contracts governing the purchase of the 1942-43 crop.

The unqualified obligation to reduce acreage, as included in those contracts, was a new policy, the contract for the preceding crop having bound the grower to make such a reduction only if called upon to do so. In that year, however, producers were not asked to cut their acreage. The reason advanced for increasing grain acreage at this time is the fuel shortage. Following the small corn crop harvested in the spring of 1943 and the small supplies of corn now available, it became evident that the country must look to some other source of supply for its fuel needs.

In view of the scarcity of corn and flaxseed, the Grain Board has been authorized to sell up to 2 million metric tons (about 75 million bushels) of wheat for fuel during the remainder of 1943. The price set on this transaction is 44 pesos per ton (36 cents per bushel), in bulk delivered at railroad stations. The sale of 500,000 tons (about 18 million bushels) of wheat for feed is authorized at the same rate. In taking these steps to

assure fuel for the country's requirements the Government announced that its former practice of selling grain for fuel at prices below those paid to producers will be discontinued. In future, rates on grain for fuel will be the same as are paid to producers.

Since the announcement came so late in the season, the acreage increase is expected to be less than would otherwise have resulted. Seeding in Argentina ordinarily extends from April into August, and in many parts of the country the season was too far advanced to make much expansion. Trade reports, however, indicated an increase for the country before the official action was published.

Growers are guaranteed a market for the 1943-44 crop at minimum prices to be set later if prices in the free market do not cover the cost of production. Minimum prices for the 1942-43 crop have been suspended as of August 15. The guaranteed minimum price has been set by the Grain Board at 6.75 pesos per 100 kilograms (about 55 cents per bushel) for the past 3 seasons. Most of the 1942-43 crop is believed to have been marketed already at the minimum price.

#### TURKEY'S GRAIN CROP PROSPECTS FAVORABLE . . .

The 1943 grain crop in Turkey promises to be near the high level of 1940, according to a report from the American Embassy at Istanbul. Fall-sown crops came through the winter in good shape, and spring weather conditions were favorable, continuing on through the critical growing period. As a result of increased seedings, as well as the favorable conditions, a substantial increase over the poor 1942 harvest is forecast.

The wheat crop is now expected to be around 147.0 million bushels contrasted with the 1942 production estimated at 100.6 million bushels and the average of 135.7 million during the 5 years, 1935-1939. Barley, as placed at 92 million bushels, is 40 percent above the poor 1942 outturn though it is still below average. Rye, oats, and corn are forecast at about the same level as the 1940 harvest.

It is noted that forecasts of the current outturn were made before harvest operations became general, and a deviation of from 10 to 15 percent from these preliminary figures is considered possible. Harvesting begins in July in central Anatolia, the Black Sea coast and the region of Marmara, and a more accurate basis for appraisal of the crops may be expected in August. Under normal conditions Turkey produces sufficient grain to fill domestic needs; with some surplus for export. Changes incident to the war, however, have brought about shortages of some vital foods. Besides the crop reduction occurring as the result of the severe winter of 1941-42, supplies were limited by the effects of mobilization on farm labor, disruption of

the transportation system, and increased consumption needs. Shortages became marked in 1942 when crops of most grains were much below domestic requirements, and reports state that considerable quantities of wheat and wheat flour were imported.

In an attempt to regulate the reduced supplies, the Government in 1941 set specified proportions of growers' crops to be delivered at fixed prices. One effect of this measure was to increase black market operations, as the comparatively low price was no incentive to farmers to deliver their grain. The policy was continued in 1942, but the terms of the regulation were modified late in that year, and more liberal provisions were made, both as to deliveries and prices.

The present program calls for the delivery to the Government of 25 percent of the first 50 tons of grain produced, 35 percent of the second 50 tons, and 50 percent of all grain in excess of 100 tons. A higher price was fixed on the grain to be delivered to the Government, as an inducement to increase seedings and deliveries of the 1943 crop.

Other regulatory measures taken were restriction of flour sales, and bread rationing. Daily bread rations continue at 300 grams, despite the improved prospects. Recent reports that the ration is to be increased to 450 grams because of the improved bread-grain position have not yet been confirmed. In early 1942 wheat in the standard loaf was supplemented by from 30 to 40 percent of barley, corn, or bean flour. If present forecasts of wheat production are borne out, it is expected that the proportion of wheat in the bread may be increased considerably.

#### Turkey: Production of the principal grain crops, 1935-1943

Year	Wheat	Rye	Barley	Oats	Corn
	bushels	bushels	bushels	bushels	bushels
1935 .....	92,640	8,508	62,992	15,983	17,965
1936 .....	141,583	17,673	98,915	14,817	26,956
1937 .....	132,996	14,244	104,609	15,438	21,301
1938 .....	156,220	17,791	110,272	18,149	23,096
1939 .....	154,475	16,118	128,602	19,559	25,032
Average ....	135,683	14,867	101,078	16,789	22,870
1940 .....	149,433	18,975	103,309	22,535	29,801
1941 .....	128,013	13,325	81,041	18,549	25,514
1942 .....	100,563	12,191	65,088	16,758	26,208
1943 a/ .....	147,000	20,000	92,000	21,000	30,000

Compiled from official and unofficial sources.

a/ Preliminary forecast. The harvest outturn may show a variation of from 10 to 15 percent, compared with the forecast.

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VEGETABLE OILS AND OILSEEDSCANADIAN FLAXSEED ACREAGE  
EXCEEDS GOAL FOR 1943 . . .

The 1943 area sown to flaxseed in the Prairie Provinces of Canada, based on the annual June survey, is estimated at 2,768,400 acres, or an increase of 88.8 percent over 1942, and exceeds the goal set for all Canada by 268,400 acres. Acreage in these Provinces neared the 1,500,000 acre mark in 1942; however, the 10-year average, 1933-1942, was only 475,500 acres.

Greatest expansion is in Alberta, which normally accounts for approximately 10 percent of the flaxseed acreage in western Canada. Harvest in this Province may be smaller than indicated by the seeded area, as grasshoppers are causing extensive damage in some sections. In Saskatchewan, flaxseed faces the most unfavorable prospects of any of the important crops. In addition to damage from wind, heavy weed growth and rust are reported from some regions. Conditions are promising in Manitoba, although some damage from rust is expected.

CANADA: Areas sown to flaxseed in the Prairie Provinces,  
1933-1943

Year	Manitoba	Saskatchewan	Alberta	Total
	Acres	Acres	Acres	Prairie
				Provinces
1933 .....	20,200	205,000	10,700	235,900
1934 .....	25,600	174,700	18,100	218,400
1935 .....	17,300	260,000	19,400	296,700
1936 .....	89,100	366,200	13,400	468,700
1937 .....	38,300	175,000	20,000	233,300
1938 .....	42,700	139,000	20,000	201,700
1939 .....	70,300	187,200	31,000	288,500
1940 .....	89,500	232,200	42,000	363,700
1941 .....	170,000	681,000	131,000	982,000
1942 .....	227,000	1,056,000	183,000	1,466,000
Average 1933-1942 ..	79,000	347,630	43,860	475,490
1943 .....	284,000	2,084,400	400,000	2,768,400

Dominion Bureau of Statistics

The Canadian Wheat Board exercises complete control over the flaxseed crop and is authorized to pay a fixed price of \$2.25 per bushel for No. 1. C.W. flaxseed, basis in store Fort William or Port Arthur during the crop year 1943-44. This is the same price that was guaranteed for the top grade last season.

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C O T T O N - O T H E R F I B E R S

EGYPTIAN COTTON ACREAGE  
SHOWS NEGLIGIBLE INCREASE . . .

The Egyptian Ministry of Agriculture has announced the first estimate of cotton acreage for the 1943-44 crop at 739,800 acres, compared with the revised estimate of 732,700 acres in 1942-43 and 1,706,000 in 1941-42. The large decrease in acreage subsequent to the 1941-42 crop was the result of a program of reduction in cotton acreage for the purpose of an increase in area devoted to food crops.

Average yield in 1942-43 was approximately 444 pounds per acre, compared with the higher yields of 486 and 519 pounds in the 2 preceding years. If favorable growing conditions should exist throughout this year, the increase of 7,100 acres undoubtedly would cause the crop now under cultivation to exceed the 1942-43 crop of 860,600 bales of 478 pounds net. Early reports indicate that the present crop is at least two weeks later than usual, and blossoming had only begun in some fields by the end of June. Water has been adequate for irrigation, and other conditions appear to be normal.

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HEMP SURPLUS IN CHILE . . .

The exportable surplus of hemp fiber (*Cannabis sativa*) in Chile this year is estimated at about 33 million pounds, compared with exports during 1942 of about 20 million pounds and of less than 14 million in 1941. The official estimate of this year's production is 204,904 metric quintals, or the equivalent of more than 45 million pounds, compared with 32 million last year and 19 million in 1940-41. Efforts have been made to increase the installations for processing raw hemp in order to care for the largest crop ever produced in Chile.

Domestic consumption is expected to require less than 7 million pounds for the manufacture of yarn, about 2 million pounds for cordage and rope, and smaller amounts for belting and hemp cloth. Plans have been worked out for the establishment of new spinning mills in the fiber-producing districts.

About 20 million pounds of hemp fiber were exported last year, but exports during the first 4 months of 1943 have been 17 percent below those during the corresponding period in 1942. There has been concern in some quarters in regard to disposition of the available supply. The United Kingdom has been the principal destination of Chilean hemp exports, with the United States and Argentina both holding important places for the remainder. Exports of hemp, by countries of destination, during the first 4 months of 1942 and 1943 are given in the following table.

CHILE: Exports of hemp fiber, by countries of destination,  
January-April, 1942 and 1943

Country of destination	January-April	
	1942 1,000 pounds	1943 1,000 pounds
United Kingdom .....	2,851	3,584
United States .....	2,036	636
Argentina .....	1,616	1,493
Brazil .....	532	150
Cuba .....	18	a/
Mexico .....	11	0
Uruguay .....	0	33
Portugal .....	55	0
Total .....	7,119	5,896

Compiled from Estadistica Chilena, Direccion General de Estadistica, Santiago. a/ Less than 500.

Hemp fiber is surpassed only by wool in importance as an export commodity from Chile. Its production is widely distributed, and it has been a growing factor in the economy of the Nation. The largest producing area is the Province of Aconcagua, where 21,230 acres, or 47 percent of the total, were planted to hemp in 1942-43. This same Province produced 37 percent of this year's fiber crop. Average yield varies considerably from one Province to another and varies also in any one Province from one year to another. This year Talca, at the southern boundary of the hemp region, had the highest fiber yield, which was 1,427 pounds per acre. O'Higgins ranked highest in 1941-42 but second this year. The over-all average for the hemp-producing area this year was 901 pounds per acre, or somewhat less than the preceding year.

CHILE: Area, production, and yield of hemp fiber by Provinces,  
1941-42 and 1942-43

Province	1941-42			1942-43		
	Area	Pro-	Yield	Area	Pro-	Yield
		duction	per acre	Acres	duction	per acre
		: 1,000	:		: 1,000	:
		: Acres	: pounds	: Pounds	: Acres	: pounds
Aconcagua .....	22,160	: 19,544	: 883	: 21,230	: 16,551	: 776
Valparaiso .....	4,670	: 3,566	: 727	: 6,180	: 4,850	: 785
Santiago .....	3,490	: 2,968	: 848	: 7,810	: 5,731	: 732
O'Higgins .....	3,090	: 3,883	: 1,249	: 8,940	: 11,971	: 1,338
Colchagua .....	1,040	: 1,207	: 1,160	: 3,210	: 2,751	: 856
Curico .....	750	: 737	: 981	: 1,150	: 1,023	: 892
Coquimbo .....	250	: 206	: 839	: 590	: 701	: 1,178
Talca .....	140	: 154	: 1,080	: 1,030	: 1,471	: 1,427
Linares .....	0	: 0	: -	: 120	: 124	: 1,071
Total .....	35,590	: 32,265	: 910	: 50,260	: 45,173	: 901

Compiled from data of the Chilean Ministry of Agriculture

## T O B A C C O

### REVIEW OF THE CANADIAN TOBACCO SITUATION . . .

The Dominion Bureau of Statistics reports that the 1943 tobacco area in Canada has been cut by 10 percent (from 75,320 acres planted last year) because of unfavorable weather conditions at planting time, labor shortage, and higher prices received for competitive crops. The reduction in area prevails, according to the report, despite the fact that all restrictions on the planted area were removed for the 1943 crop. The reduced acreage was reported common to all types and general throughout the three producing Provinces. Little damage from disease and insects was in evidence up to July 1, but as transplanting operations were retarded about 2 weeks by heavy rains, the frost hazard will probably be increased at harvest time.

Planting goals for the 1943 crop, all types, were 116 percent of the 1942 area, whereas estimates of actual plantings indicate only about 89 percent, or approximately 67,000 acres. Estimated flue-cured plantings indicate only about 90 percent of the 1942 flue-cured area, and burley plantings 90 to 92 percent of last year, compared with goals of 117 and 119 percent, respectively. Total production (all types) of 100 million pounds was officially set as the 1943 goal - a crop 12 percent above the average production for the past 5 years. Unless current plantings have been underestimated, however, it is not believed possible that any such harvest will be realized.

Present indications, according to articles from the Canadian press, point to the fact that efforts will be made to put out a larger crop next year. Spokesmen for the growers urge greater plantings, while marketing associations have removed acreage restrictions, and are admitting new members.

The labor situation is also receiving attention. The press reports plans to bring tobacco workers under control of the National Selective Service. One purpose of these plans is to prevent unnecessary shifting of labor from war industries and food production and at the same time to supply help for the tobacco harvest. It is reported that if properly managed there will be sufficient help for the tobacco harvest without affecting either war industries or food crops. It is estimated that about 30,000 persons, in addition to the 10,000 now engaged in the growing industry, would be required to harvest the current crop. An official from one of the marketing associations states that is is becoming increasingly necessary to secure more workers from the United States, and several labor-recruiting trips have been made to the southern United States.

At an annual meeting of the Flue-cured Tobacco Marketing Association of Ontario in July a favorable outlook for Canadian tobacco was predicted in the near future and for some years after the war. It was pointed out

that the association had been requested to supply Great Britain with twice as much flue-cured tobacco in 1943 as for last year. No predictions were made as to prices for the 1943 crop, since manufactured tobacco in Canada is subject to price ceilings.

The total consumption of tobacco products in Canada, as in many other countries, has been on the increase for several years. The upward trend has continued since 1932, and the rate of increase is estimated at about 2.5 million pounds annually. Owing, probably, to full employment, high wages, and the great demand from armed forces, the trend seems not to have been affected by recent increases in taxation, although the tax was passed on to the consumer through price increases.

Among the individual products, cigarettes are first in demand; they show the greatest increase despite the highest tax. Some decline in consumption of cut tobacco occurred in 1942, as compared with the previous year, and continues into 1943. Cigar consumption increased last year and an increased demand for snuff has arisen from war workers who are not permitted to smoke at their jobs. Wholesale distributors report that sales of snuff have more than doubled in recent months.

CANADA: Area, production, price, and farm value of tobacco in Canada, by Provinces and types, 1941 - 1942

Province and type	1941				1942			
	Area	Production	Price: per pound:	Farm value	Area	Production	Price: per pound:	Farm value
	Acres	pounds	Cents	dollars	Acres	pounds	Cents	dollars
<u>Ontario</u>								
Flue-cured ...	48,930	68,505	22.8	15,585	54,990	62,637	26.5	16,599
Burley .....	7,060	9,965	14.6	1,450	7,820	10,221	17.0	1,737
Dark .....	1,460	2,383	12.0	284	1,610	2,148	14.6	314
Total .....	57,450	80,853	21.4	17,319	64,420	75,006	24.9	18,650
<u>Quebec</u>								
Flue-cured ...	5,800	2,950	16.0	472	5,220	4,000	21.5	860
Cigar leaf ...	3,860	4,082	10.6	432	3,750	4,199	13.0	544
Large pipe ...	680	763	7.5	57	350	385	8.0	31
Medium pipe ...	1,580	458	10.0	146	900	741	10.0	74
Small pipe ...	550	288	16.5	48	320	149	14.0	21
Total .....	12,470	8,541	12.1	1,155	10,540	9,474	16.2	1,530
<u>British Columbia</u>								
Flue-cured ...	640	766	18.3	140	360	373	20.0	75
Total Canada	70,560	90,160	20.4	18,614	75,320	84,853	23.9	20,255

Compiled from Quarterly Bulletin of Agricultural Statistics; Tobacco Crop Reports, Dominion Bureau of Statistics, Agricultural Branch.

## LIVESTOCK AND ANIMAL PRODUCTS

### CUBA PROHIBITS EXPORTS OF LIVESTOCK AND MEAT EXCEPT UNDER AGREEMENT WITH ALLIED NATIONS . . .

The Cuban Office of Regulation of Prices and Supplies has issued a new Resolution No. 124, dated June 29, 1943, prohibiting exportation of all meats, except such sales as may be authorized by the Government under agreements with the Allied Nations. This resolution was published in the Official Gazette on July 3, 1943. Exports of live cattle and beef had already been prohibited by earlier regulations, including Resolution 9 of June 19, 1942. The present prohibition applies to exports of live cattle, hogs, and sheep, and to all kinds of meat and meat products produced from these animals. The proviso permitting exports authorized under Government agreements with other allied Nations, as well as purchases habitually made by naval and military forces of the Allied Nations located in Cuba, opens the way for sales to the United States as soon as a surplus for export becomes available.

Pasture conditions began to improve in April, but from 3 to 4 months would normally be required for cattle to regain the weight lost as a result of the severe drought last winter. It is believed that by now cattle have regained normal weight, but the unsatisfactory fixed price paid to cattlemen is still resulting in reduced shipments to the Habana market. There now appears to be a possibility of a resumption in exports of beef to the United States, some time in the near future, either as a result of increased supplies or through possible future Government allocation for export of a portion of the available supplies. 1/

### NEW ZEALAND NEEDS RAIN TO INSURE WINTER FEED . . .

More rain to insure winter feed for livestock is needed in New Zealand if demands for meat on the part of the Allied forces and the British Ministry of Food as well as the needs of the civilian population are to be met. The autumn (March-May) months were very dry, and prospects for winter feed were unfavorable at the beginning of the winter, especially in North Island. Conditions were somewhat better in South Island and lambs were being marketed in excellent condition, especially in the important Canterbury District. North Island has more sheep than South Island, the number docked in North Island averaging 54 percent of the total in the five seasons 1934-35 to 1938-39.

An increase in the Government purchase price for sheep and lambs went into effect in April with the purpose of encouraging marketing. The

1/ See earlier article in Foreign Crops and Markets, July 12, 1943.

price of all types of lambs, wethers, and ewes was raised 1.8d. (0.17 cent) per pound. This makes the present price for lambs 0.17 cent per pound above a year ago and the price of ewes 0.34 cent per pound greater.

During October-May of the current season, 12,325,000 frozen carcasses of sheep and lambs were produced in export freezing plants, a reduction of 5 percent compared with the corresponding period last season. The reduction was principally in sheep, which decreased 18 percent. The number of lamb carcasses produced amounted to 10,172,000, a decrease of only 1 percent.

NEW ZEALAND: Killings by export freezing companies,  
average 1934-35 to 1938-39, annual 1939-40 to 1942-43

Description	:Average:	:	:	: October-May	
	:1934-35:	:	:	:	
	: to :	1939-40	1940-41	1941-42	1941-42:1942-43
	:1938-39:	:	:	:	:
<u>Beef -</u>	: Thou-	: Thou-	: Thou-	: Thou-	: Thou-
Quarters .....	: sands	: sands	: sands	: sands	: sands
373:   689:   698:   a/ : 400:   411					
Boneless (60-pound freight carcasses)	: 1,006:	: 857:	: 413:	: a/ :	: 533:   753
<u>Mutton and lamb -</u>	: :	: :	: :	: :	: :
Mutton carcasses .....	: 2,107:	: 3,218:	: 2,104:	: 2,725:	: 2,638:   2,153
Lamb carcasses .....	: 9,047:	: 10,387:	: 11,240:	: 11,050:	: 10,299:   10,172
Total .....	: 11,154:	: 13,605:	: 13,344:	: 13,775:	: 12,937:   12,325
Pork carcasses .....	: 628:	: 431:	: 522:	: a/ :	: 399:   a/
Sundries (60-pound freight carcasses)	: 574:	: 485:	: 437:	: a/ :	: 303:   313
Total (in 60-pound freight carcasses).	: 10,126:	: 12,973:	: 11,943:	: a/ :	: 10,715:   -

Compiled from official sources. a/ Not available.

The number of frozen beef quarters produced in the period October-May this season was 411,000, an increase of 3 percent above that for the corresponding period a year earlier. In addition, 753,000 of 60-pound freight carcasses of boneless beef were produced, an increase of 41 percent above a year earlier. Converting the beef to a dressed-weight basis, it is estimated that during October-May this year, 134 million pounds were produced, an increase of 18 percent above the same period of 1941-42.

Figures on the number of pork and bacon hogs slaughtered are not available. It is reported, however, that the number of hogs produced in New Zealand this season is almost 200,000 short of requirements, owing to the needs of the Allied armed forces in the Pacific.

In order to control the marketing of hogs, so that the requirements of the armed forces might be met, the Food Rationing Controller issued orders restricting sales by bacon curers and also announced that a ban would be placed on the sale of pork for 2 months beginning May 20.

Following this announcement, Wellington butchers reported that from 30 to 40 percent more pork was sold than usual. In order to increase the production of hogs, especially of the bacon type, during the winter months (June-August), the price schedule was expected to be raised.

In the five pre-war seasons, 1934-35 to 1938-39, New Zealand retained for domestic consumption 75 percent of the beef and veal, but only 30 percent of the mutton and lamb and 36 percent of the pork. The quantity of beef and veal and of pork retained has increased since the war began. The percentage of all meats retained for the use of the Allied forces in the Pacific area and for civilian consumption will show an increase this year.

NEW ZEALAND: Slaughter in export freezing establishments,  
average 1934-35, to 1938-39, annual 1939-40 to 1942-43

April - March	Number on hand a/	Slaughter and meat production			Percentage consumed locally
		Number slaughtered	Meat production	Million pounds	
<u>CATTLE</u>					
Average 1934-35 to 1938-39	4,349	1,559	454	1,000	75
1939-40	4,565	1,661	487	1,000	77
1940-41	4,533	1,797	565	1,000	67
1941-42	4,576	1,665	504	1,000	81
1942-43	4,642	b/ 1,690	510	1,000	b/ 63
<u>SHEEP</u>					
Average 1934-35 to 1938-39	30,305	13,422	576	30,305	30
1939-40	31,897	14,584	732	30,305	37
1940-41	31,063	17,184	742	30,305	39
1941-42	31,752	16,327	699	30,305	34
1942-43	31,650	b/ 16,450	704	30,305	b/ 34
<u>HOGS</u>					
Average 1934-35 to 1938-39	758	1,051	96	758	36
1939-40	683	828	80	758	35
1940-41	714	981	95	758	37
1941-42	769	1,003	97	758	40
1942-43	689	b/ 944	92	758	b/ 59

Compiled from official sources.

a/ January 1 of first-named year for cattle and hogs; sheep estimate as of April 30. b/ Preliminary estimate.

The first dehydration plant has now been erected in New Zealand and is running very successfully. The capacity of the plant is 5,000 tons (11 million pounds) of dried meat annually. The New Zealand Government has contracted with the British Ministry of Food to supply 2,500 tons (6 million pounds) of dehydrated meat in 1943, and the capacity of the plant, on a 24 hour-day basis, will be 18 to 20 tons (40,000 to 45,000 pounds) of finished product a day. During the period that the plant has been on trial, the output of finished product has been 1 to 1.5 tons daily,

but working on an 8-hour shift, 6 to 8 tons can be processed. Normal slaughterhouse methods of killing are followed, and the meat goes into the freezing chambers until it is required for dehydration.

- - - - -  
ARMOUR CLOSES KILLING SEASON IN  
RIO GRANDE DO SUL . . .

The Armour plant at Santana do Livramento on the Uruguayan border closed its killing season on June 24 with killings one-third less than last year. The decrease in the actual tonnage was less than this as more sheep were killed this year in order to make up part of the cattle shortage. The number of cattle killed by this plant was only 107,000 against 184,000 a year ago, whereas 22,000 sheep were killed compared with 196 last year.

The Armour plant is located in one of the worst drought-stricken areas, and many cattle were moved to other points. More than 10 percent of the cattle are driven to the plant on foot, and the drought made this difficult or impossible. At the same time, usual imports from Uruguay failed to materialize as the drought was even worse there.

- - - - -  
MORE WOOL SCOURED IN ARGENTINA IN RECENT YEARS . . .

Since the war began, the number of Argentine wool-scouring plants in operation has grown from 22 to 27, and the quantity of grease wool treated has increased sharply. In 1942 these establishments handled 218 million pounds. The yield in scoured wool was 54.4 percent, or 116 million pounds. The movement of scoured wool in 1942 was as follows in millions of pounds with comparable figures for preceding year in parentheses: Stocks at beginning of year 19 (27) production 116 (99); exports 64 (57), local consumption 44 (32), stocks at end of season 27 (19).

ARGENTINA: Wool scouring in Argentina, 1938-1942

Year	Plants in operation		Grease wool:	Scoured wool:	Yield in scoured wool
	Number		1,000 pounds	1,000 pounds	Percent
1938 .....	: 22	:	97,875	55,227	56.2
1939 .....	: 23	:	125,069	69,857	55.9
1940 .....	: 25	:	154,737	85,203	55.0
1941 .....	: 25	:	184,505	98,656	53.5
1942 .....	: 27	:	217,723	116,372	54.4

Compiled from official sources.

GENERAL AND MISCELLANEOUS

## FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average value in New York of Chinese, Japanese, and some European currencies during last full months for which rates were available, and current official rates

Country	Unit	New York rates a/	Current official rates
		Month	Cents
Belgium.....	Belga.....	April 1940.....	16.89 : b/ 16.00
:	:	:	:
Denmark.....	Krone.....	March 1940.....	19.31 : 20.88
:	:	:	:
France.....	Franc.....	May 1940.....	1.85 : c/ 2.00
:	:	:	:
Germany.....	Reichsmark....	May 1941.....	d/ 39.97 : 40.00
:	:	:	:
Greece.....	Drachma.....	September 1940	d/ 0.66 : b/ 0.67
:	:	:	:
Italy.....	Lira.....	May 1941.....	d/ 5.09 : 5.26
:	:	:	:
Netherlands.	Guilder.....	April 1940.....	53.08 : 53.08
:	:	:	:
Norway.....	Krone.....	March 1940.....	22.71 : 22.86
:	:	:	:
Portugal....	Escudo.....	May 1941.....	4.00 : e/ 6.67
:	:	:	:
Spain.....	Peseta.....	May 1941.....	d/ 9.13 : 9.13
:	:	:	:
Sweden.....	Krona.....	May 1941.....	23.84 : 23.81
:	:	:	:
Switzerland.	Franc.....	May 1941.....	23.20 : 23.20
:	:	:	:
China.....	Yuan (Shanghai)	June 1941.....	d/ 5.34 : f/ 5.31
:	:	:	:
Japan.....	Yen.....	June 1941.....	23.44 : 23.44

a/ Noon buying rates for cable transfers as reported by Federal Reserve Board. Last daily rate reported on April 8, 1940, for the Danish and Norwegian kroner; on May 9, 1940, for the belga and guilder; on June 15, 1940, for the French franc; on October 26, 1940, for the drachma; on June 14, 1941, for the other above-mentioned European currencies; and on July 25, 1941, for the yen and yuan (Shanghai).

b/ Based on German official rate for United States dollar.

c/ Based on German official rate for United States dollar in occupied area; in unoccupied area, official rate is 2.28 cents.

d/ Quotations nominal.

e/ Rate for currency; for checks, 4.09 cents to the escudo.

f/ Rate set August 18, 1941, by Chinese Stabilization Board.

EXCHANGE RATES: Average value in New York or specified currencies,  
week ended July 24, 1943 with comparisons a/

Country				Month				Week ended			
				Monetary	Year	1941	1942	1943		1943	
				unit	1942	June	June	May	June	July	July
									10	17	24
				Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina b/	.	Paper peso		29.77	29.77	29.77	29.77	29.77	29.77	29.77	29.77
Australia c/	.	Pound	....	321.50	321.25	321.50	322.80	322.80	322.80	322.80	322.80
Brazil d/	.....	Cruzeiro	..	5.14	5.06	5.14	5.13	5.13	5.13	5.13	5.13
British											
India	.....	Rupee	....	30.12	30.13	30.12	30.12	30.12	30.12	30.12	30.12
Canada e/	....	Dollar	....	88.38	88.18	89.96	90.14	90.10	90.47	90.58	90.66
Mexico	.....	Peso	....	20.57	20.53	20.57	20.58	20.58	20.58	20.58	20.58
New Zealand	..	Pound	....	322.78	322.51	322.78	324.42	324.12	324.42	324.42	324.42
South Africa	.	Pound	....	398.00	398.00	398.00	398.00	398.00	398.00	398.00	398.00
United											
Kingdom c/	..	Pound	....	403.50	403.16	403.50	403.50	403.50	403.50	403.50	403.50
Uruguay g/	...	Peso	....	52.72	42.71	52.74	52.71	52.83	52.88	52.88	52.88

Federal Reserve Board.

a/ Noon buying rates for cable transfers.

b/ Official, regular exports. The special export rate of 23.70 cents, reported beginning March 27, 1941, applies to exchange derived from certain minor exports (e.g., dairy products) to certain countries (e.g. United States), such exchange formerly having been sold in the free market. Quotations nominal.

c/ Free prior to February 2, 1943. Quotation of free rate discontinued after February 1, 1943, when regulations were issued by the British Treasury transforming all free sterling balances into registered sterling convertible into dollars at the official rate.

d/ Free. Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. The cruzeiro has the same value as the milreis. Since April 10, 1939, 30 percent of the exchange derived from exports must be turned over at the official buying rate of 6.06 cents, the weighted average value of the milreis, being 5.42 cents in 1942, the value of the cruzeiro 5.41 in June, 1943, and 5.41 cents in the week ended July 24, 1943. Quotations nominal.

e/ Free. Most transactions between Canada and the United States take place at the official buying and selling rates.

f/ Quotations nominal.

g/ Noncontrolled. Quotations nominal.

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